



August 14, 2018

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Ex Parte

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Universal Service Reform – Mobility Fund, WT Docket No. 10-208
Connect America Fund, WC Docket No. 10-90**

Dear Ms. Dortch:

If the Commission extends the Mobility Fund challenge window by 90 days,¹ it should also extend the response window by at least 30 days and delegate to the Wireline Competition Bureau and Wireless Telecommunications Bureau (“the Bureaus”) the authority to further extend the response window if necessary. In addition, the Commission should direct the Bureaus to correct known errors in USAC’s subsidized carrier information to improve the accuracy of the Commission’s map of areas presumptively eligible for Mobility Fund support.

I. The Commission Should Extend the Response Window

Under the current challenge process rules, challengers have 180 days to file challenges (a 30-day review period plus a 150-day challenge window).² Challenged carriers have 60 days to file responses (a 30-day review period plus a 30-day response window).³ The order on circulation would extend the challenge window by 90 days, giving challengers a total of 270 days to conduct speed tests and file challenges. Verizon understands, however, that the order on circulation would not extend the response window. Respondents would apparently still have

¹ See “Chairman Pai Statement on Circulation of Order to Extend Mobility Fund Phase II Challenge Process,” <https://docs.fcc.gov/public/attachments/DOC-353253A1.pdf> (Aug. 3, 2018).

² *Procedures for the Mobility Fund Phase II Challenge Process*, Public Notice, 33 FCC Rcd 1985, ¶ 11 (2018) (“*Challenge Procedures PN*”).

³ *Id.*, ¶ 43.

only 60 days to evaluate any challenges that may be filed around the country, conduct speed tests, and file their response data.

Neither the Commission nor the challenged carriers will know the ultimate number and reach of challenges until the end of the extended challenge window in late November 2018. However, it is clear that a longer challenge window may increase the number of potential challenges, and likewise the need for respondents to evaluate and test any challenges that are filed. Sixty days simply may not provide reasonable time to perform that evaluation and respond. Moreover, the challenge window extension will push the response period into the middle of winter, making it even more difficult for respondents to evaluate and test the challenged areas. The Bureaus rejected earlier proposals that would have shifted the response window into winter, finding that “data collection in winter could present difficulties for challenged parties, particularly given the shorter response window.”⁴

Verizon supports the Commission’s “policy goal of proceeding expeditiously to an MF-II auction.”⁵ But if the challenged areas are too large (and scattered) for respondents to evaluate and test in the short mid-winter response period, then part of the limited Mobility Fund budget could be directed to areas that are already well-served by 4G LTE. In order to ensure that challenged carriers have a meaningful opportunity to respond to challenges, the Commission should extend the response window by at least 30 days. It should also give the Bureaus the authority to further extend the response window if the Bureaus determine, after reviewing the scope of the submitted challenges, that respondents need more time to review and respond to challenges.

II. If the Commission Extends the Challenge Window, It Should Direct the Bureaus to Correct Errors in USAC’s Subsidized Carrier Information

Under the Mobility Fund rules, only areas lacking unsubsidized qualifying coverage are eligible for Mobility Fund support. In order to identify eligible areas, the Bureaus used propagation maps submitted by each carrier and subsidy data provided by USAC. The Bureaus removed from each carrier’s propagation map “any areas that the USAC subsidy data shows are subsidized.”⁶ The Bureaus then combined the resulting carrier-specific unsubsidized coverage maps into an aggregate unsubsidized coverage map. Any area lacking unsubsidized coverage was shown as eligible on the Bureaus’ initial map of areas presumptively eligible for Mobility

⁴ *Id.*, ¶ 13.

⁵ *Connect America Fund; Universal Service Reform – Mobility Fund*, Order on Reconsideration and Second Report and Order, 32 FCC Rcd 6282, ¶ 13 (2017) (“*Challenge Process Order*”).

⁶ *Challenge Procedures PN*, ¶ 4.

Fund support, released on February 27, 2018.⁷ The Bureaus updated the map of presumptively eligible areas in May and again in August.⁸

The Bureaus did not give carriers the opportunity to review the USAC subsidy data before the Bureaus generated the initial eligible areas map. The Bureaus have, however, worked informally with some carriers to correct errors in the data. For example, the Bureaus corrected USAC subsidy data for an ETC in Arizona and an ETC in Kentucky, and updated the eligible areas map to reflect the corrected subsidy data.⁹

For both the Arizona and Kentucky ETCs, the Bureaus corrected USAC subsidy data from “unsubsidized” to “subsidized,” which expanded the areas eligible for Mobility Fund support. To date, the Bureaus have not corrected any ETC’s USAC subsidy data from “subsidized” to “unsubsidized,” which would reduce the areas eligible for Mobility Fund support. In the most recent map update, the Bureaus suggested that corrections that would reduce eligible areas would be inconsistent with the “policies and rationales” set forth in the *Challenge Process Order*.¹⁰ The Bureaus also expressed concern that participants would have “less time to conduct speed tests” if an area previously deemed eligible for Mobility Fund support were reclassified as ineligible.¹¹

As Verizon has discussed with the Bureaus, the USAC subsidy data for Verizon is incorrect for Washington, South Dakota, Kentucky, North Dakota, Wisconsin, Iowa, and New York (see Attachment). In Washington, South Dakota, and Kentucky, the USAC subsidy data classifies Verizon as subsidized in much of those states even though no Verizon entity is an ETC. In North Dakota, Wisconsin, Iowa, and New York, in which Verizon entities are ETCs only in certain Rural Service Areas (RSAs), the USAC subsidy data classifies Verizon as subsidized in many wire centers outside those RSAs.¹²

If the Commission extends the challenge window, it should also direct the Bureaus to correct all known errors in the USAC subsidy data, regardless of whether the corrections would

⁷ *Mobility Fund Phase II Initial Eligible Areas Map Available*, Public Notice, 33 FCC Rcd 2041 (2018).

⁸ See *Updated Version of Map of Areas Presumptively Eligible for Mobility Fund Phase II Now Available*, Public Notice, DA 18-540 (WCB/WTB May 22, 2018); *Updated Version of Map of Areas Presumptively Eligible for Mobility Fund Phase II Now Available*, DA 18-799 (WCB/WTB Aug. 1, 2018) (“August 2018 Updated Map PN”).

⁹ *August 2018 Updated Map PN*, n.4.

¹⁰ *Id.*

¹¹ *Id.*

¹² Verizon met with the Bureaus on June 1, 2018 to discuss these errors. At the Bureaus’ request, Verizon submitted information demonstrating that no Verizon entity is an ETC in these areas.

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expand or reduce the eligible areas. Corrected subsidy data is necessary to ensure that the map of eligible areas is consistent with the Mobility Fund rules, which only permit Mobility Fund support for areas lacking unsubsidized 4G LTE service. The extension of the challenge window will ensure that participants have enough time to conduct speed tests in any areas reclassified from eligible to ineligible as a result of the subsidy data correction.

This letter is being filed electronically pursuant to Section 1.1206 of the Commission's rules. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Byrnes". The signature is written in a cursive, flowing style.

ATTACHMENT

Washington: No Verizon entity is an eligible telecommunications carrier (ETC) in Washington. However, the USAC subsidy data treats Verizon as subsidized in southeastern Washington.

South Dakota: No Verizon entity is an ETC in South Dakota. However, the USAC subsidy data treats Verizon as subsidized in much of South Dakota.

Kentucky: No Verizon entity is an ETC in Kentucky. However, the USAC subsidy data treats Verizon as subsidized in much of Kentucky.

North Dakota: Verizon entities are ETCs only in the five North Dakota Rural Service Areas (RSAs). However, the USAC subsidy data also treats Verizon as subsidized in wire centers in the Bismarck Metropolitan Statistical Area (MSA) and in the North Dakota portions of the Fargo and Grand Forks MSAs.

Wisconsin: Only one Verizon entity – Wisconsin RSA #1 – is an ETC in Wisconsin. However, the USAC subsidy data also treats Verizon as subsidized in many Wisconsin wire centers that are outside the boundaries of Wisconsin RSA 1.

Iowa: Only two Verizon entities – RSA 7 Limited Partnership and Iowa 8 – Monona Limited Partnership – are ETCs in Iowa. However, the USAC subsidy data also treats Verizon as subsidized in many Iowa wire centers that are outside the boundaries of Iowa RSA 7 and Iowa RSA 8.

New York: Only two Verizon entities – St. Lawrence Seaway Cellular Partnership, which is licensed in New York RSA 1, and New York RSA 2 Cellular Partnership – are ETCs in New York. However, the USAC subsidy data also treats Verizon as subsidized in many New York wire centers that are outside the boundaries of New York RSA 1 and New York RSA 2.